

**CHAUTAUQUA COUNTY  
RURAL WATER DISTRICT NO. 4**

**AUDIT REPORT**

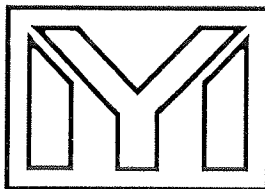
**December 31, 2012**

CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO. 4

December 31, 2012

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# YERKES & MICHELS, CPA, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Chautauqua County Rural Water District No. 4  
321 E. Main  
Sedan, KS 67361

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Chautauqua County Rural Water District No. 4, Sedan, Kansas, as of and for the year ended December 31, 2012 and the related notes to the financial statement.

### *Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the applicable audit requirements of the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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*Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note 1B of the financial statement, the financial statement is prepared by the Chautauqua County Rural Water District No. 4, Sedan, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*


In our opinion, because of the effects of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Chautauqua County Rural Water District No. 4, Sedan, Kansas, as of December 31, 2012, or changes in financial position or cash flows thereof for the year then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Chautauqua County Rural Water District No. 4, Sedan, Kansas, as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1B.

*Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the 2012 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The individual fund schedules of regulatory basis receipts and expenditures, (Schedules 1 as listed in the table of contents) is presented for analysis and is not a required part of the 2012 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2012 basic financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 basic financial statement or to the 2012 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 supplementary information is fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note 1B.

  
YERKES & MICHELS, CPA, LLC  
Independence, Kansas

September 20, 2013

## CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO. 4

SUMMARY OF CASH RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH

For the Year Ended December 31, 2012

|                                 | Beginning<br>Unencumbered<br>Cash Balance | Prior Year<br>Cancelled<br>Encumbrances | Cash<br>Receipts     | Expenditures         | Ending<br>Unencumbered<br>Cash Balance | Outstanding<br>Encumbrances<br>and Accounts<br>Payable | Ending<br>Cash Balance |                                 |
|---------------------------------|---|---|----------------------|----------------------|--|--|------------------------|---------------------------------|
| <u>GOVERNMENTAL FUNDS</u>       |   |   |                      |                      |  |  |                        |                                 |
| Debt Service Fund               |   |   |                      |                      |  |  |                        |                                 |
| Bond and Interest Fund          | \$ 21,005.19                              | \$ -                                    | \$ 98,186.75         | \$ 85,185.50         | \$ 34,006.44                           | \$ -   | \$ 34,006.44           | Bond and Interest Fund          |
| Special Purpose Fund            |   |   |                      |                      |  |  |                        |                                 |
| Construction Fund               | 177,241.78                                | -                                       | 12,113.66            | 170,719.50           | 18,635.94                              | -  | 18,635.94              | Construction Fund               |
| <u>BUSINESS FUND</u>            |   |   |                      |                      |  |  |                        |                                 |
| Water Operations Fund           | 71,437.24                                 | -                                       | 215,837.09           | 242,104.23           | 45,170.10                              | 1,639.80   | 46,809.90              | Water Operations Fund           |
| <b>TOTAL PRIMARY GOVERNMENT</b> | <b>\$ 269,684.21</b>                      | <b>\$ -</b>                             | <b>\$ 326,137.50</b> | <b>\$ 498,009.23</b> | <b>\$ 97,812.48</b>                    | <b>\$ 1,639.80</b>                                     | <b>\$ 99,452.28</b>    | <b>TOTAL PRIMARY GOVERNMENT</b> |

## COMPOSITION OF CASH-Primary Government

|                                 |                     |
|---------------------------------|---------------------|
| First National Bank of Sedan:   |                     |
| Account No. 288665              | \$ 46,809.90        |
| Account No. 309614              | 18,635.94           |
| Account No. 511862              | 16,532.03           |
| Account No. 513342              | 17,474.41           |
| <b>TOTAL PRIMARY GOVERNMENT</b> | <b>\$ 99,452.28</b> |

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

**CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO. 4**

**NOTES TO THE FINANCIAL STATEMENT**

**DECEMBER 31, 2012**

# CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO 4.

## NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1A. FINANCIAL REPORTING ENTITY

The Chautauqua County Rural Water District No. 4, Sedan, Kansas, is a municipal corporation governed by an elected Board of Directors with seven directors serving as of December 31, 2012. In evaluating how to define the government for financial reporting purposes, management has considered all potential related municipal entities. The Water District's purpose is to purchase water and to build water storage facilities, and water pipelines, to provide water to rural Chautauqua County residents and the City of Longton, KS.

#### 1B. BASIS OF PRESENTATION AND BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles generally accepted in the United State of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

The accounts of the reporting entity are organized into funds, each of which is considered to be separate accounting entities.

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of The Chautauqua County Rural Water District No. 4, Sedan, Kansas, for the year 2012:

#### GOVERNMENTAL FUNDS

Special Purpose Funds – to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

# CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO 4.

## NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Debt Service Funds – to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, and the financing of special assessments which are general obligations of Chautauqua County Rural Water District No. 4, Sedan, Kansas.

#### BUSINESS FUNDS

Business Funds--to account for operations that are financed and operated in a manner similar to private business enterprises--where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges--or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

A legal operating budget is not required for the Water District. Spending in the Water District's funds is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

#### 1C. REIMBURSEMENTS

Chautauqua County Rural Water District No. 4, Sedan, Kansas records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Management is not aware of any statutory, finance related or contractual violations applicable to the 2012 year.

### NOTE 3 – DEPOSITS AND INVESTMENTS

As of December 31, 2012, the Water District had no investments.

K.S.A. 9-1401 establishes the depositories which may be used by the Water District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

# CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO 4.

## NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

### NOTE 3 – DEPOSITS AND INVESTMENTS (CONT'D)

K.S.A. 12-1675 limits the Water District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the Water District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Water District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas District, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2012.

At December 31, 2012 the carrying amount of the Water District's deposits, was \$ 99,452.28. The bank balance was \$ 105,414.17. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by one bank, resulting in a concentration of credit risk. Of the bank balance, all was covered by federal depository insurance.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Water District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 4 – LONG TERM DEBT – see pages 10 and 11 for long term debt information.

### NOTE 5 - INTERFUND TRANSFERS

Operating transfers during the year were as follows:

| <u>From</u>       | <u>To</u>              | <u>Amount</u> |
|-------------------|------------------------|---------------|
| Construction Fund | Bond and Interest Fund | \$ 25,707.50  |
| Construction Fund | Water Operations       | \$ 9,000.00   |
| Water Operations  | Bond and Interest Fund | \$ 72,437.35  |
| Water Operations  | Construction Fund      | \$ 9,000.00   |

# CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO 4.

## NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

### NOTE 6 – COMPENSATED ABSENCES

Vacation leave is earned at a rate of five (5) working days per year after one year and ten (10) working days after two years for all full-time employees. Permanent part-time employees leave is earned at a rate of five (5) days of four (4) hour days after one year and ten (10) half days the second year. All employees receive one additional day (permanent part time one half day) of vacation each year of employment up to a maximum of twenty (20) days total (permanent part time 20 one half days) vacation time per year, not including weekends.

All full-time employees accrue one sick or personal leave day per month of continuous employment until a maximum of twelve (12) days have accrued per year. Permanent part-time shall accrue ½ day per month for a total of twelve (12) ½ days per year. Unused sick leave up to a maximum of twelve (12) days is added to the sick time allowable during the succeeding year or years which an employee shall be continuously employed by the District to a maximum of 60 days.

The liability for accrued vacation and sick pay is not reflected on the financial statements. Neither the actual or estimated amount of the liability was available at December 31, 2012. The cost of vacation and sick pay are recognized as expenditures when paid.

### NOTE 7 - RISK MANAGEMENT

The Water District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlements of claims have not exceeded coverage during the past three fiscal years.

### NOTE 8 - GRANTS

#### WATER AND WASTE DISPOSAL SYSTEMS FOR RURAL COMMUNITIES GRANT

The Chautauqua County Rural Water District No. 4 was formed for the purpose of building and maintaining a distribution system for potable water to be provided to the eastern half of Chautauqua County and Longton, KS. The District began purchasing water from Public Wholesale Water Supply No. 20 in August 2010. On August 1, 2010 the District began selling water to its Phase I customers, and Phase II water sales began June of 2011.

The water distribution system is being implemented in three phases.

# CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO 4.

## NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

### NOTE 8 – GRANTS (CONT'D)

#### Phase I

Phase I began in May of 2009 and was in place to provide water to the highest concentration of users by June 30, 2011, with the District beginning to sell water on August 1, 2011. Currently there are 161 meter purchased in the Phase I coverage area. Substantial completion was required by June 30, 2011. Phase I funding came from a CDBG grant to Chautauqua County and from a loan and grant from USDA Rural Development to the District. The District was also required to provide a portion of the funding from its own source.

#### Phase II

Phase II began November 2009 and is an extension of Phase I. Phase II was expected to be completed in approximately one year from the start date. Phase II extended services to 115 meters. Phase II was completed in August of 2011. Funding for Phase II was the same as Phase I except that the CDBG funds were replaced with a STAG grant from the EPA.

#### Phase III

Phase III funds were authorized June 2012. The District was awarded a USDA Rural Development loan and grant; also, Chautauqua County has been awarded a CDBG grant to be used the same as in Phase I. Plans stipulate that CDBG funds will go to Chautauqua County for the District and an additional CDBG grant was awarded to the City of Longton for a joint project to complete Phase III. Phase III will extend coverage to the remaining 96 customers and the District of Longton, approximately 120 additional meters.

### NOTE 9 - CAPITAL PROJECTS

At year-end, capital project authorizations with approved change orders compared with expenditures from inception are as follows:

|   | <u>Expenditures<br/>To Date</u> | <u>Project<br/>Authorization</u> |
|---|---------------------------------|----------------------------------|
| Water Distribution Construction – Phase III | \$ 134,178.70                   | \$ 2,538,814.64                  |

### NOTE 10 – USE OF ESTIMATES

The preparation of regulatory basis financial statements requires management to make estimates and assumptions that affect the reported amounts of expenditures during the audit period, encumbrances outstanding, fair value of investments, and disclosure of contingencies at the end of the audit period. Actual results could differ from the estimates.

# CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO 4.

## NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

### NOTE 12- SUBSEQUENT EVENTS

At the date of the audit report, primary construction activities for Phase III have commenced. The District of Longton, KS was also awarded an additional \$981,344 consisting in equal amounts from USDA Rural Development and a CDBG block grant. These amounts are intended to be used in conjunction with the District's aforementioned grants. Primary project activities are expected to be completed by the end of 2013.

The District received funding for Phase III in January of 2013. A loan was drawn down in its entirety on 1/22/13 for \$1,007,000 and the loan was accompanied by a grant award of \$1,022,000. Based on the promissory note, the first two interest only payments are due January 22<sup>nd</sup> of both 2014 and 2015. Monthly payments of \$3,424 will be due on the 22<sup>nd</sup> of every month until payoff beginning 2/22/15. The loan has an interest rate of 2.5%

On August 22, 2013, the District's Board approved a Memorandum of Understanding with Montgomery County Rural Water District No. 13 to consolidate their District into No. 4's. This would bring No. 4's District an additional sixty five customers. This consolidation is expected to reach completion before the end of 2013 as long as a majority of No. 13's customers do not object to the consolidation.

**CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO. 4**  
**12/31/12**  
**Notes to the Financial Statement**

**NOTE 4 - LONG TERM DEBT**

Changes in long term liabilities for the Water District for the year ended December 31, 2012, were as follows:

| <u>Issue</u>                                    | <u>Interest Rates</u> | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Date of Final Maturity</u> | <u>Balance Beginning of Year</u> | <u>Additions</u>   | <u>Reductions/ Payments</u> | <u>Net Change</u>            | <u>Balance End of Year</u>    | <u>Interest Paid</u>       |
|---|-----------------------|----------------------|------------------------|-------------------------------|----------------------------------|--------------------|-----------------------------|------------------------------|-------------------------------|----------------------------|
| Phase 1 Loan                                    | 4.125%                | 6/22/2009            | 617,000                | 6/22/2049                     | 613,627.68                       | -                  | 7,028.55                    | (7,028.55)                   | 606,599.13                    | 25,179.45                  |
| Phase 2 Loan                                    | 3.250%                | 3/1/2010             | 791,000                | 3/1/2050                      | 791,000.00                       | -                  | 7,987.34                    | (7,987.34)                   | 783,012.66                    | 44,990.16                  |
| <b>Total Bond Indebtedness / Long-Term Debt</b> |                       |                      |                        |                               | <u><u>\$ 1,404,627.68</u></u>    | <u><u>\$ -</u></u> | <u><u>\$ 15,015.89</u></u>  | <u><u>\$ (15,015.89)</u></u> | <u><u>\$ 1,389,611.79</u></u> | <u><u>\$ 70,169.61</u></u> |
|   |                       |                      |                        |                               |                                  |                    |                             |                              | Total Payments Made 2012      | <u><u>85,185.50</u></u>    |

**CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO. 4**  
**12/31/12**

**Notes to the Financial Statement**

**NOTE 4 - LONG TERM DEBT (cont'd.)**

Current maturities of long term debt and interest for the next five years and in five year increments through maturity are as follows:

| Principal:      | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  | <u>2016</u>  | <u>2017</u>  | <u>2018-<br/>2022</u> | <u>2023-<br/>2027</u> | <u>2028-<br/>2032</u> | <u>2033-<br/>2037</u> | <u>2038-<br/>2042</u> | <u>2043-<br/>2047</u> | <u>2048-<br/>2050</u> | <u>TOTAL</u>    |
|-----------------|--------------|--------------|--------------|--------------|--------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------|
| Phase 1 Loan    | \$ 7,323.20  | \$ 7,631.07  | \$ 7,951.88  | \$ 8,286.16  | \$ 8,634.51  | \$ 48,932.26          | \$ 60,119.41          | \$ 73,864.27          | \$ 90,751.52          | \$ 111,499.68         | \$ 136,991.41         | \$ 44,613.76          | \$ 606,599.13   |
| Phase 2 Loan    | \$ 11,076.10 | \$ 11,441.48 | \$ 11,818.94 | \$ 12,208.81 | \$ 12,611.58 | \$ 69,579.79          | \$ 81,839.04          | \$ 96,258.25          | \$ 113,218.02         | \$ 133,165.86         | \$ 156,628.38         | \$ 73,166.41          | \$ 783,012.66   |
| Total Principal | \$ 18,399.30 | \$ 19,072.55 | \$ 19,770.82 | \$ 20,494.97 | \$ 21,246.09 | \$ 118,512.05         | \$ 141,958.45         | \$ 170,122.52         | \$ 203,969.54         | \$ 244,665.54         | \$ 293,619.79         | \$ 117,780.18         | \$ 1,389,611.80 |
| Interest:       |              |              |              |              |              |                       |                       |                       |                       |                       |                       |                       |                 |
| Phase 1 Loan    | \$ 24,884.80 | \$ 24,576.93 | \$ 24,256.12 | \$ 23,921.84 | \$ 23,573.49 | \$ 112,107.74         | \$ 100,920.59         | \$ 87,175.73          | \$ 70,288.48          | \$ 49,540.32          | \$ 24,048.59          | \$ 1,404.77           | \$ 566,699.40   |
| Phase 2 Loan    | \$ 25,283.90 | \$ 24,918.52 | \$ 24,541.06 | \$ 24,151.19 | \$ 23,748.42 | \$ 112,220.21         | \$ 99,960.96          | \$ 85,541.75          | \$ 68,581.98          | \$ 48,634.14          | \$ 25,171.62          | \$ 2,604.66           | \$ 565,358.41   |
| Total Interest  | \$ 50,168.70 | \$ 49,495.45 | \$ 48,797.18 | \$ 48,073.03 | \$ 47,321.91 | \$ 224,327.95         | \$ 200,881.55         | \$ 172,717.48         | \$ 138,870.46         | \$ 98,174.46          | \$ 49,220.21          | \$ 4,009.43           | \$ 1,132,057.81 |

**CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO. 4**

**SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2012**

## CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO.4

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES

BOND AND INTEREST FUND

For the Year Ended December 31, 2012

|                                       |                            |
|---------------------------------------|----------------------------|
| CASH RECEIPTS                         |                            |
| Interest Income                       | \$ 41.90                   |
| Transfers                             | <u>98,144.85</u>           |
| TOTAL CASH RECEIPTS                   | \$ 98,186.75               |
| EXPENDITURES                          |                            |
| Interest Expense                      | \$ 70,169.61               |
| Loan Principal Payments               | <u>15,015.89</u>           |
| TOTAL EXPENDITURES                    | <u>\$ 85,185.50</u>        |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ 13,001.25               |
| UNENCUMBERED CASH, BEGINNING          | <u>21,005.19</u>           |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 34,006.44</u></u> |

CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO. 4

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES

WATER CONSTRUCTION FUND

For the Year Ended December 31, 2012

|                                       |                            |
|---------------------------------------|----------------------------|
| CASH RECEIPTS                         |                            |
| Grant Income - CDBG                   | \$ 3,000.00                |
| Transfers                             | 9,000.00                   |
| Interest Income                       | <u>113.66</u>              |
| TOTAL CASH RECEIPTS                   | \$ 12,113.66               |
| EXPENDITURES                          |                            |
| Construction Expense                  | \$ 1,820.00                |
| Engineering Expense                   | 129,192.00                 |
| CDBG Administration                   | 5,000.00                   |
| Transfers                             | <u>34,707.50</u>           |
| TOTAL EXPENDITURES                    | \$ 170,719.50              |
| RECEIPTS OVER (UNDER)<br>EXPENDITURES | \$ (158,605.84)            |
| UNENCUMBERED CASH, BEGINNING          | <u>177,241.78</u>          |
| UNENCUMBERED CASH, ENDING             | <u><u>\$ 18,635.94</u></u> |

CHAUTAUQUA COUNTY RURAL WATER DISTRICT NO. 4

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES

WATER OPERATIONS FUND

For the Year Ended December 31, 2012

CASH RECEIPTS

|                            |                 |
|----------------------------|-----------------|
| Meter Sales                | \$ 19,100.00    |
| Water Sales                | 178,648.15      |
| Interest Income            | 88.94           |
| Refund of Engineering Fees | 9,000.00        |
| Transfers                  | <u>9,000.00</u> |

TOTAL CASH RECEIPTS \$ 215,837.09

EXPENDITURES

|                         |                  |
|-------------------------|------------------|
| Bad Debt                | \$ 2,537.62      |
| Insurance               | 6,336.33         |
| Water Testing           | 1,202.07         |
| Miscellaneous           | 3,951.24         |
| Office Expense          | 6,746.19         |
| Payroll Expense         | 52,151.23        |
| Professional Fees       | 5,922.10         |
| Repairs and Maintenance | 8,523.20         |
| Engineering Expense     | 9,000.00         |
| New Meter Expense       | 9,512.74         |
| Utilities               | 4,668.97         |
| Vehicle Expense         | 7,850.19         |
| Water Purchases         | 42,265.00        |
| Transfers Out           | <u>81,437.35</u> |

TOTAL EXPENDITURES \$ 242,104.23

RECEIPTS OVER (UNDER)  
EXPENDITURES

\$ (26,267.14)

UNENCUMBERED CASH, BEGINNING

71,437.24

UNENCUMBERED CASH, ENDING

\$ 45,170.10